

I hereby confirm that I have examined this project paper entitled:

THE ROLES OF PRODUCT ATTRIBUTES TOWARDS GENERATION Y
SHOPPING INTEREST

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THE ROLES OF PRODUCT ATTRIBUTES TOWARDS GENERATION Y
SHOPPING INTEREST

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Report submitted in fulfilment of the requirement for the degree of Bachelor of
Technopreneurship (With Hons)

Faculty of Technology Management and Technopreneurship
Universiti Teknikal Malaysia Melaka

JUNE 2017

“I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

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DEDICATION

This research is dedicated to my beloved parents who have been my constant source of inspiration and unconditional love. To my respected supervisor, Dr Haslinda Binti Musa, thank you for the constant guidance. To my friends, through thick and thin, thank you for being such supportive friends throughout these years we are together.

ACKNOWLEDGEMENT

Alhamdulillah. Thanks to Allah S.W.T, with His will, I am able to complete this research paper which entitled “The Roles of Product Attributes towards Generation Y Shopping Interest”. This research report was prepared for Faculty of Technology Management and Technopreneurship (FPTT), basically for student in final year to complete degree program.

First of all, I would like to take this opportunity to express my deepest appreciation to my parents that had supported me throughout my entire journey of study. Without them, I would not be able to be where I am right now. Besides that, I would also like to express my deepest gratitude to my supervisor Dr. Haslinda Binti Musa for all the guidance and pointing out my mistakes by giving genuine comments throughout my one-year journey to complete this final year thesis.

Not to forget, my housemates and course mates, Nurayati Dabas, Siti Zawani Binti Mohd Tahir, Noraini Binti Azman, and Siti Mariam Binti Ghazali for all the help in assisting me during my hard time upon completing this thesis. Last but not least, I would also like to thank all the respondents that had took part and willing to spend their time on answering the questionnaires and also to those who I might missed out mentioning their name that had also contributed directly or indirectly to this research paper.

ABSTRACT

Generation Y is the second largest generational cohort growing up in a world infused with brands that has been socialized in a materialistic society with purchasing power and extraordinary impact on the economy. They often involve with the shopping behavior and purchase involvement that make their preferences towards one product is not fix depending on the attributes of the product itself. Thus, the purpose of this study is to develop a framework to explore the generation-Y shopping interest towards product attributes. This study applies four concepts which are functions of the product, features of the product, benefits of the product, and generation-Y shopping interest. In this study, the researcher used empirical study by employing the questionnaire survey method to verify the hypotheses and to investigate in its managerial implications to 150 respondents to generation-Y. The data collected is analyzed by using Statistical Package for Social Science (SPSS) that showed the features of the product, functions of the product, and benefits of the product have positively affect the generation-Y shopping interest.

ABSTRAK

Generasi Y adalah kohort generasi kedua terbesar membesar dalam dunia yang diselitkan dengan jenama yang telah disosialisasikan dalam masyarakat materialistik dengan kuasa beli dan kesan yang luar biasa ke atas ekonomi. Mereka sering terlibat dengan tingkah laku membeli-belah dan penglibatan pembelian dan membuat pilihan pembelian ke arah satu produk dengan bergantung kepada sifat-sifat produk itu sendiri. Oleh itu, tujuan kajian ini adalah untuk membangunkan satu rangka kerja untuk meneroka faedah membeli-belah generasi-Y ke arah sifat-sifat produk. Kajian ini mengaplikasikan empat konsep yang merupakan fungsi produk, ciri-ciri produk, manfaat produk, dan minat membeli-belah dalam kalangan generasi-Y. Dalam kajian ini, pengkaji menggunakan kajian empirikal dengan menggunakan kaedah soal selidik untuk mengesahkan hipotesis dan untuk menyiasat implikasi pengurusan kepada 150 responden yang tergolong dalam generasi-Y. Data yang diperolehi dianalisis dengan menggunakan Statistical Package for Social Science (SPSS) dan telah menunjukkan bahawa ciri-ciri produk, fungsi produk, dan manfaat produk telah memberi kesan positif kepada minat untuk membeli-belah dalam kalangan generasi-Y.

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CHAPTER 1

INTRODUCTION

1.1 Research Background

Shopping interest is a classical aspect of the consumer's lifestyle and a focal point of the achievement of the marketing management activities (Lejoyeux & Weinstein, 2013). Consumer satisfaction can be modelled as a relationship between responses to the qualities of a product's attributes or properties that are; first, "must-be"; and second, "attractive" or "appealing" (Abbott, Holland, Giacomini, & Shackleton, 2009). Prior to product evaluations, consumers are often exposed to data that permits them to judge the covariation relationships among different product attributes and consumer product evaluations are often influenced by information contained in their memories (Zhang, Li, Gong, & Wu, 2002)

Attributes of a product contribute to the success of product marketing (Abbott et al., 2009). There are three types of product attributes which are features, functions and benefits. According to C. Merle Crawford et al. (2011) product attributes include size, colors, functionality, components and features that affect the product's appeal or acceptance in the market because the attributes themselves will define the product. Holistically, the branded product is evaluated for its fit with the desired benefits that not relied on a feature-by-feature comparison of

alternative brands, but by the consumer choice that make consumers selectively attend to product features based upon the benefits sought (Ponnam & Dawra, 2013)

1.2 Research Problem

Generation Y is the second largest generational cohort growing up in a world infused with brands .It has been socialized in a materialistic society that the purchasing power of Generation Y has an extraordinary impact on the economy and this generational cohort is highly active in the marketplace (Krbova, P. K. ,2016) .This Generation Y often involve with the shopping behavior and purchase involvement for books, apparel, and electronics such as clothing, computers, CDs, and electronics (Kinley, Josiam, & Lockett, 2010)

However, their preferences towards one product is not fix depending on the attributes of the product itself. For example, if there is slight of the Generation Y does not like to read and comprehend dull textual information through books because the features of the text is not interesting ,they will go for the electronic platforms as they found that the functions of the electronic gadgets is more stimulating and dynamic. This assumption can be completely applied especially for one group of Generation Y which consists of mostly visual learners.

Apparently, this Generation Y is acknowledged for being one of the first generations to know technology and the internet from a very early age and they also enjoy shopping significantly more than other generational cohorts, visit higher number of stores before final purchase and prefer online retailers more (Brosdahl & Carpenter, 2011).This caused their loyalty towards one product changing and it inevitably affect those traditional entrepreneurs as because from the existing of the technology can produce the newest products with many competitive advantages and fulfill their leisure activity and entertainment to the fullest.

1.3 Research Question

This research explored the following key questions:

- What is the most preferences characteristic in the product attributes for Generation Y?
- What are the differences of the product attributes to attract the Generation Y shopping interest?
- In between features, functions and benefits of the product attributes, which one is the most significant in encouraging the Generation Y to shopping.

1.4 Research Objective

- To identify the most preferences characteristic in the product attributes for Generation Y.
- To examine the differences of the product attributes that attract the Generation Y shopping interest.
- To describe the features, functions, and benefit of the product attributes, which can be most significant in luring the Generation Y to shopping.

1.5 Scope and Limitation of the Research

The scope of research is limited only for the product attributes that concentrate of three characteristics which are feature, benefits and function of product as well as the Generation Y interest towards the particular characteristics.

This study has limitations that only using only on three variables which are product features, product functions, and product attributes as the determination of the generation Y shopping interest.

1.6 Significant of the Research

The researcher hopes that the research will help the retailers and marketers to get insight on the structural relationship between product attributes and shopping interest especially for the teenagers and create effective and attractive marketing strategies and shopping environments that can satisfy targeted or desired shopping motivations and thus influence the Generation Y behaviors. In addition, the purpose of this study is to become expert in this research areas. The researcher also aim to increase the skill and knowledge about product attributes and how it related to each other. Understanding why a consumer chooses a product based upon its attributes helps us to understand why some consumers have preferences for specific brands.

1.7 Summary

In conclusion, this chapter gives overview about the research background of Generation Y shopping interest towards product attributes and highlight the problem statement which the gen-y preferences towards one product is not fix depending on the attributes of the product itself as they have extraordinary impact on the economy and this generational cohort is highly active in the marketplace . This chapter also presents research questions and research objectives as guidelines for further research and discussion on chapter 2.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter discussed about the overview of shopping interest of the Generation Y and each of the independent variables which are product features, product functions and product benefits. This chapter touched on every aspect of the variables and how it affects the dependent variables which is the shopping interest of the Generation Y.

2.2 Generation Y

Generation Y is a cohort of people born straightaway after Generation X, and it is referred to the dot.com generation, eco boomers and millionaires (Muda, Mohd, & Hassan, 2016). Generation Y has to be those who born between 1978 and 1994 (Kotler & Armstrong, 2010, p 98) which is also held true in the Malaysian context and makes up the largest segment of Malaysia's population (Muda et al., 2016). According to Klapilova Krbova (2016) Generation Y which is so called Millennials, is a specific cohort of people who usually have similar characteristics and features that can be found in many fields of

interest, e.g. lifestyle, choice of education or job and also in shopping behavior . They see themselves as special and enjoy activities such as listening to music, watching television, going to the movies, and eating out. Marketers have become interested to the Generation Y as due to the large part of the role they play in the consumption process and are better educated and more brand conscious than previous generations(Kinley et al., 2010).

According to Bilgihan (2016) Generational cohorts have different values, preferences and shopping behaviors but they have emerged as a big force with growing spending power which will unsurprisingly competing to other cohorts .According to Retail Research (2012), they economically spending to almost 200 billion USD annually. Generation Y is the second largest generational cohort growing up in a world infused with brands which is has been socialized in a materialistic society .They possess a great purchasing power which that giving an extraordinary impact on the economy (Klapilova Krbova, 2016) and are found as attractive consumer segment because they are considered obsessive, had few financial responsibilities and they have a sharp eye for trends.

2.3 Shopping Interest

According to Cambridge Dictionary, Interest can be defined as the feeling of wanting to give your attention to something or of wanting to be involved with and to discover more about something and on the other hand shopping behaviors is perceived as an entertaining and pleasurable leisure activity that explains how and where a consumer shops with the comfort level of making purchase decisions for oneself, frequency of purchase, amount of time spent shopping, and amount of money spent (Kinley et al., 2010).

The following literature review describes the importance of Generation Y in terms of purchasing power and purchasing desire in a shopping context. Arnold & Reynolds (2003) mentioned that shopping behavior emerges for three essential reasons which are to acquire a product, to acquire both a desired product and provide satisfaction with non-product-related needs, or to primarily attain goals not related to product acquisition. Shopping has been viewed as mainly driven by a need for specific product acquisition and with a work mentality and activity of cognition and hedonic values as a drive for shopping, such as shopping for leisure and recreation, or the emotional roles of mood and pleasure (Kang & Park-Poaps, 2010) .

According to Park et al. (2006) Many researchers have provided theoretical frameworks for examining the passion of shopping related to psychological variables (e.g. personality, self-regulation), hedonic experiences (e.g. shopping enjoyment, emotional state, mood) and situational variables (e.g. available time, money). Kang & Park-Poaps (2010) mentioned that shopping behaviors are deeply rooted in emotional and psychological which are primarily driven by utilitarian and hedonic reasons hedonic motives that includes adventure, gratification, role, value, social, and idea shopping motivations. Therefore, Generation Y shopping tendencies can be narrowing into particular demographic and psychographic characteristic and marketers are certain that their shopping behavior relates to demographic groups which is defined as measurable, substantial, accessible, and actionable (Kinley et al., 2010).

2.4 Product Attributes

Zhang et al. (2002) Mentioned that various attributes have different importance in the consumer's mind and then form the selection criteria in purchase decision making .According to Sheng & Teo (2012) Product attributes refer to tangible and intangible features of a product such as benefit, functions, and uses by which they suggested that

there are three attributes dimensions namely functional(novelty and congruity),symbolic(visual similarity to existing products) and aesthetic(product appealing). (Lee, Ha, & Widdows, 2011) stated that product attributes has a few distinctive patterns.

First, many studies focus on a few attributes which mainly pertain to performance functions such as price, brand, and quality leaving out other aspects such as design (appearance) and social qualities of technology products. Prior research mostly examines outcomes of product attributes such as brand choice, preference persistence, purchase intention, and value. However , consumers have preferences for characteristics (or attributes) of products that devotes to the success of product marketing (Gwin & Gwin, 2003). The product attributes explains individual choice as a process of choosing bundles of product attributes inherent in goods and service and particularly useful in analyzing differentiated product markets. The product-attributes model also helps us understand consumer preferences for attributes that distinguish among brands can help in defining the best positioning and marketing mix for a particular brand.

According to Massachusetts Association of Regional Planning Agencies , automated permit tracking systems as the product have the potential to streamline permitting from application intake through project completion that should be able to produce status reports, and highlight any problems that should or would hold up the permitting process such as unpaid property taxes or other violations which can benefits reduced permitting time, improved record keeping and archiving of permitting decisions, enhance communication with applicants and other municipal departments, resulting in higher quality plan submissions and customer service, and Improve municipal staff efficiency and less duplication of effort.

According to (Park, Kim, Funches, & Foxx, 2012) apparel is an experiential product which can symbolize the meaning or hedonic value that evokes pleasure that can

lead to irrational emotional attractions and psychological motivations (Kang & Park-Poaps, 2010) that eventually attract purchase desire. Zhang et al. (2002) mentioned that the important product attributes of apparel included fabric and garment manufacturing which are care, value, style, and product and service. However, they indicate that comfort, easy care and durability are becoming the important attributes.

According to Gwin & Gwin (2003) Product attributes is a tool for evaluating brand positioning in the mind of the consumer to better measures of consumer perceptions than similarity techniques such as multidimensional scaling if the set of attributes is reasonably complete such as factor analysis and discriminant analysis. Higher-knowledge consumers should be more likely to evaluate thoughts about individual product attributes because they can infer the personally relevant consequences of those attributes because of their limited means–end knowledge, lower-knowledge consumers should be less likely to evaluate individual product attributes (Graeff, 1997).

2.4.1 Features of the Product

Features are objective characteristics of the product that influence consumer purchase decisions matters of both intuitive and perceptive product features. Intuitive product features equip fun, pleasure, fantasy and excitement. In contrast, perceptive product features are primarily instrumental, functional, and goal-oriented. When consumers give more weight to intuitive product features at the expenses of perceptive product features, they may be liable to making suboptimal purchase decisions that will bring regret later (Bruyneel, Dewitte, Vohs, & Warlop, 2006).

However, according to Sheng & Thompson S.H. Teo (2012) Features of a product such as benefit, functions, and uses by which they suggested that there are three attributes